

INDIANA DEPARTMENT OF STATE REVENUE

REVENUE RULING #2003-01 ARE

June 11, 2003

Notice: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superceded or deleted by publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUES

Auto Rental Excise Tax – Recreational Vehicles

Authority: IC 6-6-9-7, IC 6-6-9-3, IC 9-13-2-123, IC 9-13-2-105, IC 6-6-9-6, IC 9-13-2-188, IC 9-13-2-150

The taxpayer requests the Department to rule whether or not:

1. Rental travel trailers; and
2. Rental recreational vehicles are subject to auto rental excise tax.

STATEMENT OF FACTS

The taxpayer is in the business of renting travel trailers that are pulled behind vehicles and recreational vehicles that are self-propelled.

DISCUSSION – ISSUE #1

Whether or not rental travel trailers are subject to auto rental excise tax.

IC 6-6-9-7(a) states:

An excise tax, known as the auto rental excise tax, is imposed upon the rental of passenger motor vehicles and trucks in Indiana for periods of less than thirty (30) days.

IC 6-6-9-3 references IC 9-13-2-123(a) for the definition of "passenger motor vehicle". IC 9-13-2-123(a) provides that a "passenger motor vehicle" means a motor vehicle

designed for carrying passengers. IC 9-13-2-105 defines “motor vehicle” as a vehicle that is self-propelled.

IC 6-6-9-6 references IC 9-13-2-188(a) for the definition of “truck”. IC 9-13-2-188(a) provides that a “truck” means a motor vehicle designed, used, or maintained primarily for the transportation of property.

A travel trailer does not fall within the above definitions of a passenger motor vehicle or a truck, therefore, the rental of same is not subject to auto rental excise tax.

RULING – ISSUE #1

The Department rules that travel trailers rented for periods of less than thirty (30) days are not subject to auto rental excise tax.

DISCUSSION – ISSUE #2

Whether or not rental recreational vehicles are subject to auto rental excise tax.

IC 9-13-2-150 defines “recreational vehicle” as a vehicle with or without motive power equipped exclusively for living quarters for persons traveling upon the highways.

As established in Issue #1, IC 9-13-2-123 provides that a “passenger motor vehicle” is a motor vehicle designed for carrying passengers.

Notwithstanding the definition of recreational vehicle, a recreational vehicle with motive power, in fact, is not only a vehicle equipped with living quarters for persons traveling upon the highways, but, is also a motor vehicle designed for carrying passengers, i.e., a passenger motor vehicle.

This being the case, a recreational vehicle with motive power falls within the ambit of IC 6-6-9-7, hence, the rental of same is subject to auto rental excise tax.

RULING – ISSUE #2

The Department rules that recreational vehicles with motive power rented for periods of less than thirty (30) days are subject to auto rental excise tax.

CAVEAT

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer’s facts and circumstances, as stated herein are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon

examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling, a change in statute, regulation, or case law could void the ruling. If this occurs, the ruling will not afford the Taxpayer any protection.

INDIANA DEPARTMENT OF STATE REVENUE